

LB/DCN/103/07

**ASSESSMENT OF
ACCOUNTING SOFTWARE CUSTOMER SATISFACTION
IN PRIVATE SECTOR ORGANIZATIONS OF SRI LANKA**

By

P. Ramesh

LIBRARY
UNIVERSITY OF MORATUWA, SRI LANKA
MORATUWA



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

The Dissertation was submitted to the Department of Computer Science & Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

89450

Department of Computer Science & Engineering

University of Moratuwa

December 2006

004 06

004:65(043)

University of Moratuwa

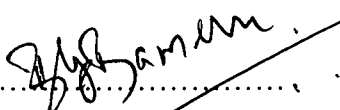


89450

89450

DECLARATION

I do hereby declare that the work reported in this research project was exclusively carried out by me under the supervision of Mr. Kithsiri Samarasinghe, Department of Electronics & Telecommunication Engineering, University of Moratuwa. It describes the results of my own independent research except where due reference has been made in the text. No part of this project report has been submitted earlier or concurrently for the same or any other degree.



Signature of the Candidate

12/01/2007

Date



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations

To the best of my knowledge, the above particulars are correct.



Supervisor

12/01/2007

A. T. L. K. Samarasinghe
Head
Department of Electronic &
Telecommunication Engineering
University of Moratuwa, Sri Lanka

ACKNOWLEDGMENT

It is my great pleasure to thank everybody who helped me throughout this MBA programme at University of Moratuwa.

Firstly I am very much thankful to the Head of the Department of Computer Science & Engineering for giving approval to carryout my research study as part of the MBA programme.

Secondly my sincere thanks to the course coordinator of MBA in IT - 2002 batch and my research supervisor Mr. Kithsiri Samarasinge for giving his fullest support, motivation, and guidance to successfully complete the research.

I am thankful to all the academic staff conducted lectures and taught good knowledge throughout the course.

Also I thank all the clerical staff members of the Department of Computer Science and Engineering and Department of Management of Technology for being helpful in the course and research works.

My heart-full thanks to all the business organizations those helped me by providing necessary data to do my research.

Finally I am very much thankful to my family members for their support and encouragement right through this programme.

P.Ramesh

ABSTRACT

The accounting software industry in Sri Lanka can be classified into three product market segments, one is the government sector which is backed by department of state accounts under ministry of finance, the second is the large scale private sector organizations using enterprise solutions, and the third is the large and SME private sector organizations using mass market accounting software packages. The private sector is backed by value added resellers of offshore accounting software products and domestic software development firms. Our research is focused in the segment of mass market accounting software packages and their usage. The major problem in the segment is although popular accounting software packages are available and being used by various organizations, many organizations are not fully satisfied with the solutions due to various reasons which fall under either product aspects or service aspects. So there need to be an assessment done on accounting software product quality and service quality and find ways to improve customer satisfaction. The goal of the research is to identify the gaps between perceived and expected customer satisfaction levels of accounting software products and services. This is accomplished by developing a conceptual model to measure the customer satisfaction. The research variables measured under product quality assessment are; accounting software modules, features, customization capability, and technology. Under the service quality assessment, the five dimensions of popular SERVQUAL methodology (Parasuraman et al. 1988) are measured. Also the service provider image assessment is done by measuring the service provider background coupled with overall product and service qualities. Based on this approach recommendations are made to promote the local accounting software industry.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION.....	1
1.1 Background Information	1
1.2 Scope of the Research Study	10
1.3 Preliminary Investigation	10
1.4 The Problem	11
1.5 Research Goals	11
1.6 Importance of the Study	12
1.7 The Approach	13
1.8 Nature and Form of Results.....	13
CHAPTER 2: LITERATURE SURVEY	14
2.1 Service Quality Models	14
2.2 Literature on Accounting Software	20
CHAPTER 3: THEORETICAL FRAMEWORK	22
3.1 The Conceptual Model Development.....	22
3.2 Formulation of Hypotheses	28
CHAPTER 4: METHODOLOGY.....	29
4.1 Operationalization	29
4.2 Questionnaire Design	32
4.3 Sampling.....	33
4.4 Data Collection.....	34
4.5 Data Analysis.....	35
CHAPTER 5: RESULTS OF DATA ANALYSIS	36
5.1 Summary of the Data Collection	36
5.2 Data Reliability Testing.....	41
5.3 Hypotheses Testing	44
5.4 Analysis of Hypotheses Using Individual Correlation of Variables	51
5.5 Graphical Interpretation of Data.....	54
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS	72
6.1 Accomplishment of Research Objectives.....	73
6.2 Limitations of the Study	78
6.3 Further Study.....	79
REFERENCES	80
ANNEXURE 1: RESEARCH QUESTIONNAIRE.....	82
ANNEXURE 2: PEARSON CORRELATION TABLE.....	84
ANNEXURE 3: STATEMENTS OF SERVQUAL INSTRUMENT.....	85

LIST OF TABLES

Table 2.1	Five Dimensions of SERVQUAL Methodology
Table 2.2	Refined SERVQUAL Methodology
Table 4.1	Operationalization Table
Table 5.1	PQA Data Set
Table 5.2	SQA Data Set
Table 5.3	SPIA Data Set
Table 5.4	Accounting Software Customer Satisfaction Assessment Data Set
Table 5.5	PQA Intercorrelation Matrix
Table 5.6	SQA Intercorrelation Matrix
Table 5.7	SPIA Intercorrelation Matrix
Table 5.8	Pearson Correlation Matrix
Table 5.9	Residual Output of Product Quality Vs Customer Satisfaction
Table 5.10	Residual Output of Service Quality Vs Customer Satisfaction
Table 5.11	Residual Output of Service Provider Image Vs Customer Satisfaction
Table 5.12	Correlation of Product Quality Variables
Table 5.13	Correlations of Service Quality Variables
Table 5.14	Correlations of Service Provider Image Variables
Table 6.1	Gap Analysis

LIST OF FIGURES

Figure 1.1	Accounting Software Product Market Segments
Figure 1.2	Enterprise System Model
Figure 2.1	Technical and Functional Quality Model
Figure 2.2	The Conceptual Model of Service Quality
Figure 2.3	Model for Software Service Quality
Figure 3.1	The Basic Conceptual Model
Figure 3.2	The Enhanced Conceptual Model
Figure 4.1	Questionnaire - Data Entry Window
Figure 5.1	Regression Output Graph of Product Quality Vs Customer Satisfaction
Figure 5.2	Regression Output Graph of Service Quality Vs Customer Satisfaction
Figure 5.3	Regression Output Graph of Service Provider Image Vs Customer Satisfaction
Figure 5.4	Distribution of the Effectiveness of Modules
Figure 5.5	Distribution of the Effectiveness of Features
Figure 5.6	Distribution of the Effectiveness of Technology
Figure 5.7	Distribution of the Effectiveness of Customization Capability
Figure 5.8	Distribution of the Product Quality
Figure 5.9	Distribution of the Effectiveness of Tangibles
Figure 5.10	Distribution of the Effectiveness of Reliability
Figure 5.11	Distribution of the Effectiveness of Responsiveness
Figure 5.12	Distribution of the Effectiveness of Assurance
Figure 5.13	Distribution of the Effectiveness of Empathy
Figure 5.14	Distribution of the Service Quality
Figure 5.15	Distribution of the Effectiveness of Service Provider Background
Figure 5.16	Distribution of the Service Provider Image
Figure 5.17	Distribution of the Customer Satisfaction
Figure 5.18	Relative Effectiveness of Product Quality Variables
Figure 5.19	Relative Effectiveness of Service Quality Variables
Figure 5.20	Relative Effectiveness of Service Provider Image Variables
Figure 5.21	Relative Effectiveness of Customer Satisfaction Variables

LIST OF ABBREVIATIONS

AIS	-	Accounting Information System
CIGAS	-	Computerized Integrated Government Accounting System
CPA	-	Chartered Public Accountant
ERP	-	Enterprise Resource Planning
GOSL	-	Government of Sri Lanka
IAS	-	International Accounting Standards
IASC	-	International Accounting Standards Committee
ICASL	-	Institute of Chartered Accountants of Sri Lanka
ICT	-	Information and Communication Technology
IT	-	Information Technology
MIS	-	Management Information System
PCC	-	Pearson Correlation Coefficient
PQA	-	Product Quality Assessment
RDBMS	-	Relational Database Management System
SLAS	-	Sri Lanka Accounting Standards
SLASI	-	Sri Lanka Association for the Software Industry
SME	-	Small and Medium Enterprises
SPIA	-	Service Provider Image Assessment
SQA	-	Service Quality Assessment
WOM	-	Word of Mouth



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.hb.mrt.ac.lk

